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WIX[®]

**WIX
CORPORATION
LIMITED
CANADIAN
ANNUAL REPORT
1977**



CORPORATE ACTIVITY

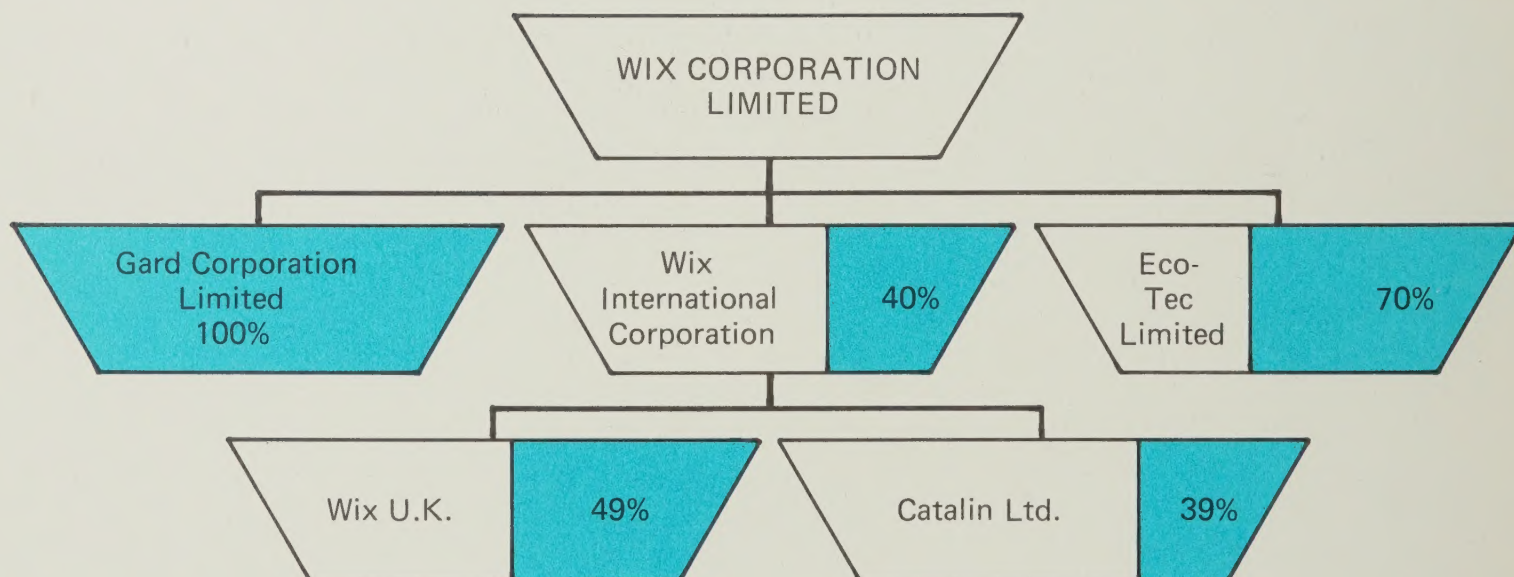
Wix Corporation Limited is one of Canada's major filter producers, manufacturing more than 2,500 types of air, oil, gasoline and fuel filters for the automotive aftermarket as well as a wide diversity of commercial, industrial, aviation, marine and recreation applications.

The company manufactures under the Wix name and also produces a wide variety of major private brands including National Automotive Parts Association (NAPA) filters for Gard Corporation Limited, a marketing and distribution subsidiary for NAPA filters in Canada.

Another subsidiary, Eco-Tec Limited, is fast becoming a world leader in ion exchange technology and manufactures sophisticated recovery and recycling systems of its own development and design for world distribution.

Wix Corporation Limited also has interests in the United Kingdom through its equity participation in Wix International Corporation.

Our cover depicts a stylized representation of a Wix brand spin-on oil filter.





HIGHLIGHTS

	<u>1977</u>	<u>1976</u>
Net sales	\$11,630,936	\$10,571,327
Gross profit	2,947,854	2,550,680
Income before income taxes and equity in earnings of other company	680,048	369,196
Income taxes	247,713	168,811
Equity in earnings of other company	20,711	4,700
Income before extraordinary item	453,046	205,085
Income per share before extraordinary item	.62	.28
Extraordinary income gain on sale of fixed asset	836,793	
Net income for the year	1,289,839	205,085
Earnings per share	1.77	.28



CORPORATE DIRECTORY

Directors

Leon Alexander	David Kerr
Arthur Allan	Fred Myers
Benny Hoyle	Lloyd Nourse
Kingsley Humbert, Jr.	Malcolm Nourse

Officers

Lloyd W. Nourse
Chairman of the Board

Fred E. Myers
President

Leon Alexander
Vice-President

Harry Graham
Vice-President and General Sales Manager

Edward Plante
Vice-President, Manufacturing

Alan Corbett, C.A.
Treasurer

Eleanor Cooke
Secretary

Transfer Agent and Registrar
The Canada Trust Company

Bankers
The Royal Bank of Canada

Auditors
Thorne Riddell & Co.

Listed
Toronto Stock Exchange (WXL)

Head Office
25 Curity Avenue
Toronto, Canada M4B 1X9

Manufacturing
925 Brock Road South
Pickering, Canada L1W 2X9
25 Curity Avenue
Toronto, Canada M4B 1X9

Warehousing and Distribution
925 Brock Road South
Pickering, Canada L1W 2X9

Annual Meeting
Wednesday, May 10, 1978
The Library, Royal York Hotel
Toronto, Canada, 11:00 a.m.

Sustained efforts in Canadian filter markets, supported by the growing contribution of Eco-Tec Limited our high technology subsidiary that manufactures and distributes its unique recycling and recovery systems for industry, have combined to make our year ended December 31, 1977 one of substantial progress and achievement.

Reflecting our ability to respond to market patterns in the automotive and industrial filter segments of our business as well as a substantial increase in sales of Eco-Tec systems, consolidated net sales increased 10 per cent to \$11,630,936 from \$10,571,327 in the previous year.

Net income before extraordinary item increased to \$453,046 or 62 cents per share from \$205,085 or 28 cents a year ago.

Improved earnings resulted from a combination of factors including general growth in filter sales, improved efficiency of operations and the escalated performance of Eco-Tec Limited which benefits from having written off the final portion of its development and start-up costs in 1976.

Other factors include an improved equity in earnings from overseas operations, an inventory tax credit of \$43,156 or 6 cents per share, and the steady growth of Gard Corporation Limited, free this year for the first time of developmental expenses. Earnings also benefited from your company's continued emphasis on control of inventories, which were reduced by \$245,623 or 6.9 per cent during the year.

An extraordinary income of \$836,793, or \$1.15 per share, representing the net proceeds from the sale of our Curity Avenue head office and manufacturing facilities, increased total net income for the year to \$1,289,839 or \$1.77 per share. There was no extraordinary income in 1976.

With the sale of this property under a five-year leaseback agreement, your Board of Directors has given Management the approval to proceed with the architectural stage of Phase II of the company's plant in Pickering, Ontario. The planned extension to our existing 120,300 square feet of manufacturing and warehousing space will enable the company to centralize its operations at one location by 1982.

Wix International Corporation, 40% owned by your company, enjoyed a relatively successful year, principally as a result of revenue from royalty agreements set up at the time of the sale of its interests in New Zealand and Southeast Asia. Operations in the United Kingdom were generally stable throughout the year. Your company participates in the results of Wix International on the equity basis.

For some years, plans have been under way to provide for an orderly succession of top management to maintain continuity of company policies

which have resulted in our success, yet to retain our flexibility to encourage and reward the innovation and enthusiasm of younger people as they mature and develop.

During the year under review, Lloyd W. Nourse, a pioneer in automotive filtration in Canada and instrumental in developing the company into one of Canada's largest filter manufacturers, retired as Chief Executive Officer following 40 years of leadership with the company. He will continue his contribution as Chairman of the Board. Fred E. Myers, who joined Wix in 1969 as Vice-President and General Manager and became President in 1974, has assumed the position of Chief Executive Officer.

We are also pleased to note the appointment of Rudolph (Rudy) Chiarot, R.I.A., as Controller of Wix, reflecting the intensified activities in all areas of your company.

Throughout 1977, your company was most active in broadening its filter distribution base in Canada. While Wix has earned a reputation as a recognized leader in the private label field, plans have now developed to extend the Wix name and "Gold Standard in Filtration" reputation into the do-it-yourself market where we will become equally well known by the Canadian consumer.

This marketing thrust, developed out of your company's many years of experience with our Moto-Guard line, enhances the traditional filter market and, as well, provides new challenges and significant growth potential for your company. In line with our new corporate colours, packaging of Wix air, oil and gasoline filters destined for the consumer has been redesigned in an attractive black, gold and white combination, the result of extensive test marketing. A consumer and trade oriented advertising agency has also been retained and our distribution network prepared to accommodate our new activity.

This exciting program will now satisfy the convenience needs of the growing do-it-yourself market while giving Wix products direct consumer recognition in market places frequented by consumers on a regular basis. In turn, our products will provide retail outlets with an additional opportunity to increase their general merchandise mix.

Another major step was taken during the year when your company began production at our Curity Avenue plant of railway filters for diesel locomotives to augment our growing lines of filters for off-highway vehicles.

Industrial filtration also provided important areas of advancement for your company during the year as the importance of filtration in controlling operating costs became even more widely recognized.

The growth in sales of industrial and aviation

filters during recent years, combined with the prospects for these markets in the future, have resulted in the reorganization of this division within Wix. To complement this move, your company recently finalized a license agreement with Facet Enterprises Inc. of Tulsa, Oklahoma to become Canadian manufacturers and distributors for their wide range of industrial filters. Industrial applications for Wix filtration units include fuel "farms" at airports, oil in electrical transformers, hydraulic systems, and compressor stations on pipelines, to cite but a few examples.

Eco-Tec Limited, whose systems separate dissolved solids from liquids using its patented application of Reciprocating Flow Ion Exchange technology, is beginning to indicate the strength of its potential contribution to the company. This progress was reflected during the year by two corporate appointments. P.J. (Rocky) Simmons, an Eco-Tec employee since its creation and Wix research director since 1968, was appointed Vice-President and General Manager as well as Director of this rapidly expanding subsidiary. Eleanor Cooke, Corporate Secretary of Wix Corporation Limited since 1976, was appointed Secretary of Eco-Tec Limited.

Strong demand for Eco-Tec systems continues. These growing lines of products, which have gained rapid acceptance by industry, are currently found in many major electroplating facilities in North America.

Abroad, Eco-Tec systems continue to gain prominence. In Japan, original plans for a licensing arrangement have been replaced with a move towards a distribution agreement in order that our Japanese associate can take advantage of buying in Canada. In France, Eco-Tec units recently received government approval for use in that country. This is now leading to the finalization of our licensing agreement with

Escher Wyss (France), a subsidiary of the Sulzer Corporation of Switzerland. In Germany, Eco-Tec products are selling successfully in line with expectations.

Applications for Eco-Tec technology have been expanded to include copper salt recovery as well as acids used in etching plastics prior to electroplating. During 1977 the company also introduced a new demineralizer and is currently working on a special experimental prototype for the study of recovery of many acids and metals such as cadmium, to meet the demand by United States industry to comply with a new environmental law effectively eliminating cadmium effluent.

Gard Corporation Limited, a subsidiary formed in 1973 to supply filters in Canada under the brand name NAPA, continued to produce excellent growth during the year while still concentrating its marketing efforts in Alberta and British Columbia. National Automotive Parts Association (NAPA) is the largest distributor of automotive aftermarket products in North America.

Looking ahead we face an encouraging future. Filtration in all its forms is seen more and more as a cost-saving investment, wherever its application. Wix Corporation Limited, by its continuing search for better ways to serve all these markets, will do its utmost to anticipate and capitalize on every opportunity.

We wish to thank shareholders, fellow directors, officers, employees, suppliers and customers, whose goodwill and support have provided the basis for our accomplishments, and offer special recognition to senior management through whose efforts our goals became a reality.

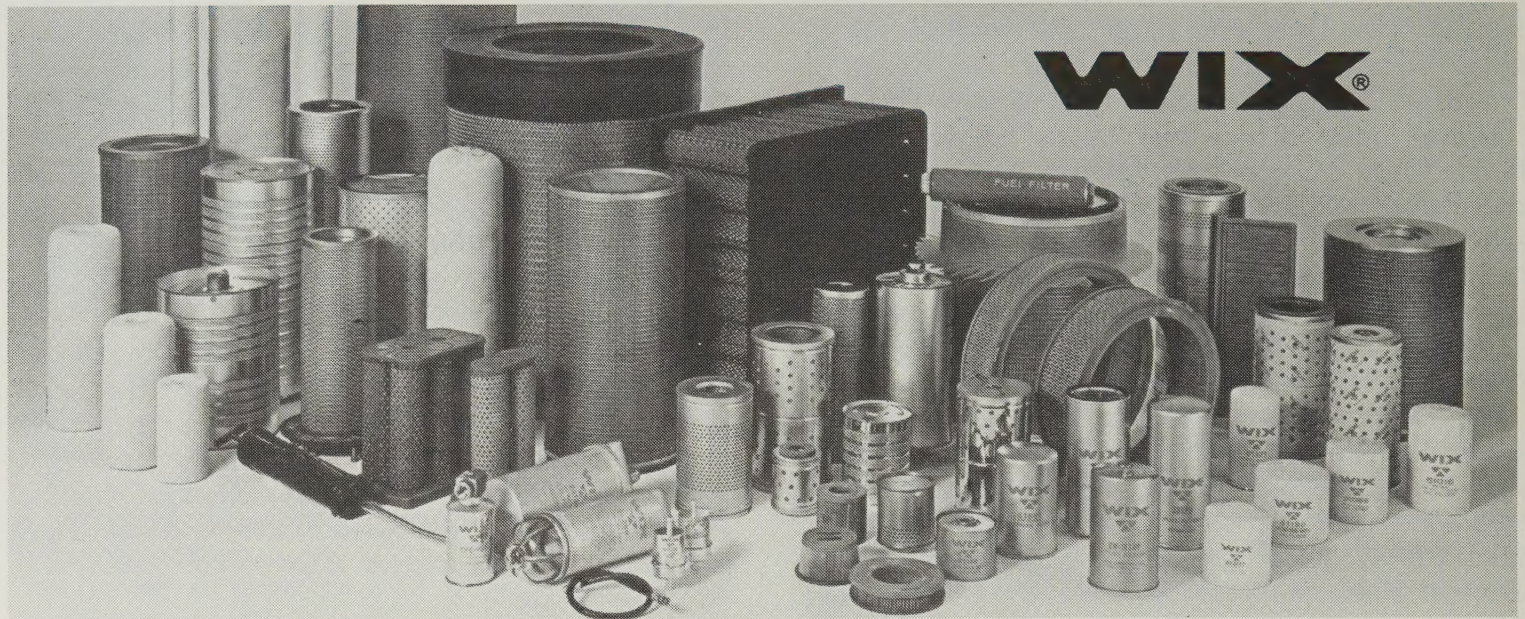
Toronto, April 14, 1978



Lloyd W. Nourse
Chairman of the Board



Fred E. Myers
President



Wix Corporation Limited manufactures more than 2,500 types of air, oil, gasoline and fuel filters for all types of engines. Proper filtration is growing in importance as a means of reducing energy costs, controlling pollution and prolonging engine life.

During 1977 Wix Corporation Limited further strengthened its leadership in serving Canadian filter markets by giving additional emphasis to the do-it-yourself automotive filter lines and by expanding the base of its industrial and aviation division.

The Canadian do-it-yourself filter market is growing steadily. It reflects the general plight of consumers faced with seeking ways to offset costs of automobile operation as well as finding an alternative to the continued steep decline in the number of service stations. The growth of the do-it-yourself market is also benefiting from a strong public awareness of the importance of proper air filter maintenance that increases the number of kilometres per gallon and extends the life of the automobile engine.

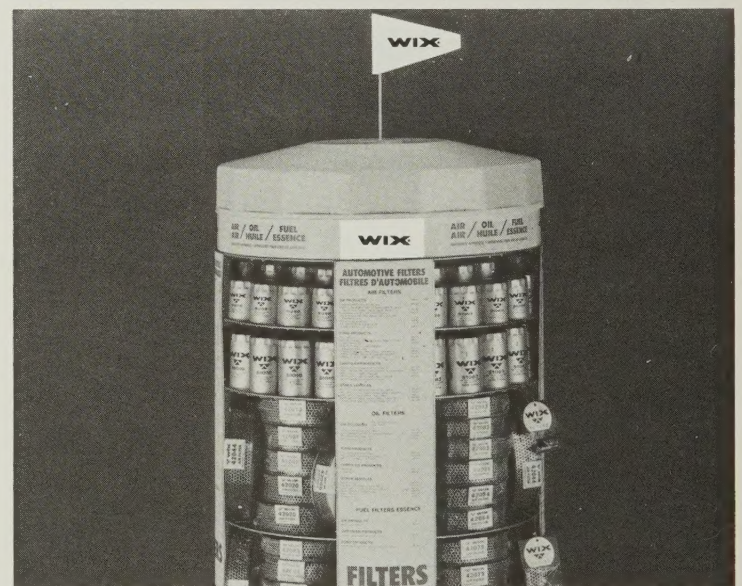
Wix, through its Moto-Guard line of automotive air, oil and gasoline filters has been closely monitoring changing consumer demands, and is enabling traditional distribution channels to adapt to this expanding market. As a result the Wix brand, long known and respected within the wholesale segment of the automotive aftermarket, will soon be a familiar name with the general public.

While filter production for the automotive aftermarket is the mainstay of our operation, Wix also manufactures a complete line of filters for commercial vehicles, motorcycles, tractors, stationary engines, snowmobiles, lawnmowers, railway locomotives and chain saws. These lines have also continued to grow and expand.

The industrial and aviation market has increased steadily in recent years to meet the growing awareness that proper filtration can significantly reduce or

control operating and maintenance costs as well as prolong the useful life of expensive capital equipment. Not only does Wix manufacture replacement cartridges for these units but also custom engineers and manufactures the installations.

In recognition of the growing potential of this specialized field, a reorganization of the Industrial and Aviation Division has recently taken place. Harold Frier, a 14-year employee and Sales Manager responsible for the development of this segment of our business, was appointed Manager, Industrial and Aviation Division.



Wix, the leader in private brand filter manufacturing, has undertaken plans to make the Wix name synonymous with filtration. This Select-A-Filter stand, designed and developed by the company, offers automotive air and oil filters to the consumer in an easy-to-use and attractive point-of-purchase display.



Through ongoing research and development, Eco-Tec Limited broadened its market base and extended its product line to serve the anodizing industry as well as the electroplating industry.

Strong demand during the year for Eco-Tec systems, which use the company's high technology process known as Reciprocating Flow Ion Exchange (RFIE), effectively doubled the number of installations in operation to approximately 100 and expanded the product base from nickel electrolyte and chromic acid recovery systems to acid purification, water recycling, copper salt recovery and a recovery system for the aluminum anodizing process.

From a chromic acid recovery system for electroplating effluent when the subsidiary was formed in 1970, Eco-Tec research and development have added new systems for most phases of the electroplating process, leading to totally engineered systems for the industry.

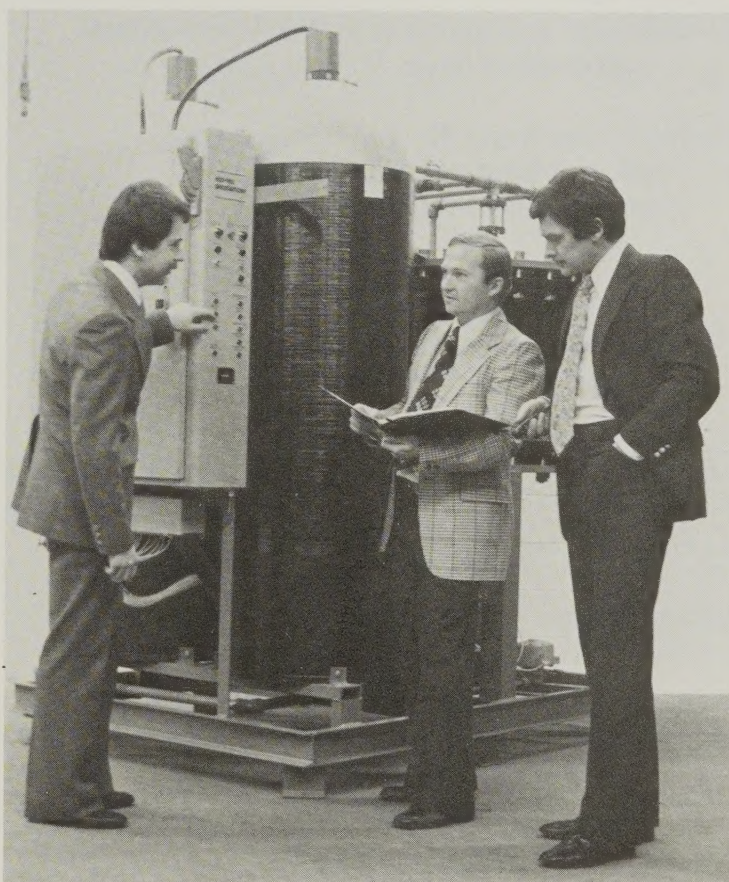
During 1977, Eco-Tec introduced an application of RFIE technology to serve the product consistency and waste treatment requirements of the large aluminum anodizing industry. This marks the first time an economically feasible recovery system has been available and represents a substantial long-term market for the company.

Eco-Tec's ecology technology was also extended to industrial waste-water recovery. To discourage discharge of diluted industrial waste into sewage systems, certain municipalities have imposed substantial surcharges on water usage. To offset this greatly increasing cost, in-plant recovery systems strictly for re-using water have now become viable. To serve this rapidly growing market, Eco-Tec has introduced two new systems, a de-ionizer and a water recycle system.

The company's new RFIE "Decationizer" for plastic etch recovery was another major introduction during the year. This system removes metallic contaminants that accumulate and impair the performance of etching solutions for plastics. Chrome plated plastics have been put to growing use in recent years on automobiles and the introduction of this unique Eco-Tec system represents an effective economic solution to the problem of contamination.

Research and development are continually taking place as the importance of keeping pollutants from the environment and the cost of chemicals place new demands on the Eco-Tec RFIE processes. In fact, the company's systems have a history of recovering the users' costs in a short period of time.

Eco-Tec systems are in place at Ford Motor Company of Michigan, Westinghouse, General Electric Company, Renault of France, Houdaille, Delta Faucet Company, Siegel-Robert, Northern Telecom, Rogate Industries, Chromcraft Furniture, The Stanley Works, Sealed Power Corporation and Production Plated Plastics, to name a few.



Eco-Tec Limited has rapidly grown in the past few years. The company's high quality, efficient and cost-saving recycling and recovery units for industry use high technology to separate dissolved solids from liquids. Eco-Tec Limited introduced major new products during the year and expanded into the aluminum anodizing industry, a large new market for the company. From the left, Eco-Tec executives Craig Brown, Chief Engineer, P.J. (Rocky) Simmons, Vice-President and General Manager and Carl McCormick, General Sales Manager, are shown with a "Decationizer" which recovers etching solutions used in the chrome plating of plastics.



WIX CORPORATION LIMITED (incorporated under the laws of Ontario)
CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 1977

Assets	1977	1976
Current Assets		
Cash	\$ 47,795	\$ 1,600
Accounts receivable	1,760,226	1,698,829
Inventories (note 2)	3,308,157	3,553,780
Prepaid expenses	37,132	68,899
	<u>5,153,310</u>	<u>5,323,108</u>
Investment		
Shares in and advances to Wix International Corporation (note 3)	<u>842,526</u>	<u>885,815</u>
Fixed Assets (note 4)		
Land, buildings and equipment	3,770,042	4,665,962
Less accumulated depreciation	<u>1,518,798</u>	<u>1,654,349</u>
	<u>2,251,244</u>	<u>3,011,613</u>
Other Assets	<u>34,307</u>	<u>49,356</u>
	<u>\$8,281,387</u>	<u>\$9,269,892</u>

Approved by the Board

Director

Director

Liabilities	1977	1976
Current Liabilities		
Bank advances secured by inventories	\$ 98,265	\$1,228,513
Accounts payable and accrued liabilities	1,164,001	1,228,823
Income taxes payable	102,370	20,022
Advances from Wix International Corporation . . .	190,000	
Principal due within one year on long term debt .	17,000	39,891
	<u>1,571,636</u>	<u>2,517,249</u>
Long Term Debt (note 5)		1,420,096
Deferred Income Taxes	625,732	505,000
Minority Interest in Subsidiary Company	<u>24,589</u>	<u>7,339</u>
Shareholders' Equity		
Capital Stock (note 6)		
Authorized		
850,000 Common shares without par value		
Issued		
743,028 Common shares (726,878 in 1976) . . .	2,077,464	2,033,479
Retained Earnings	3,981,966	2,786,729
	<u>6,059,430</u>	<u>4,820,208</u>
	<u>\$8,281,387</u>	<u>\$9,269,892</u>

Auditors' Report

To the Shareholders of
Wix Corporation Limited

We have examined the consolidated balance sheet of Wix Corporation Limited as at December 31, 1977 and the consolidated statements of income, retained earnings and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the company as at December 31, 1977 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
March 16, 1978

Thorne Riddell & Co.
Chartered Accountants



WIX CORPORATION LIMITED
CONSOLIDATED STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 1977

	1977	1976
Sales	\$11,630,936	\$10,571,327
Cost of sales and expenses other than the undernoted ...	10,671,872	9,745,727
Amortization	21,869	58,902
Depreciation	175,988	188,384
Interest on long term debt	62,763	149,601
Other interest	67,196	98,096
	<u>10,999,688</u>	<u>10,240,710</u>
	631,248	330,617
Other income	<u>48,800</u>	<u>38,579</u>
Income before the undernoted	<u>680,048</u>	<u>369,196</u>
Income taxes		
Current	265,523	115,811
Deferred	<u>(17,810)</u>	<u>53,000</u>
	<u>247,713</u>	<u>168,811</u>
	432,335	200,385
Equity in earnings of Wix International Corporation	<u>20,711</u>	<u>4,700</u>
Income before extraordinary item	<u>453,046</u>	<u>205,085</u>
Gain on sale of fixed assets net of deferred income taxes of \$147,762	836,793	
Net Income	<u>\$ 1,289,839</u>	<u>\$ 205,085</u>
Earnings per share		
Income before extraordinary item	\$.62	\$.28
Net income	1.77	.28



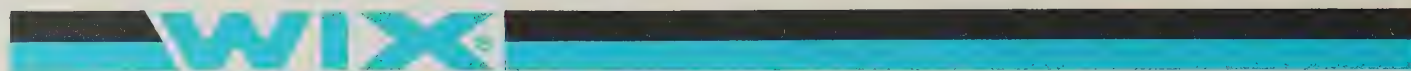
WIX CORPORATION LIMITED
CONSOLIDATED STATEMENT OF RETAINED EARNINGS
YEAR ENDED DECEMBER 31, 1977

	1977	1976
Balance at beginning of year	\$ 2,786,729	\$ 2,668,869
Net income	<u>1,289,839</u>	<u>205,085</u>
	4,076,568	2,873,954
Dividends paid	<u>94,602</u>	<u>87,225</u>
Balance at end of year	<u>\$ 3,981,966</u>	<u>\$ 2,786,729</u>



WIX CORPORATION LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 1977

	<u>1977</u>	<u>1976</u>
Working capital derived from		
Operations		
Income before extraordinary item	\$ 453,046	\$ 205,085
Items not involving working capital		
Depreciation	175,988	188,384
Amortization	21,869	58,902
Deferred income taxes (reduction)	(17,810)	53,000
Minority interests' share of net income		
(loss) of subsidiary	17,250	(2,564)
Equity in earnings of		
Wix International Corporation	(20,711)	(4,700)
	<u>629,632</u>	<u>498,107</u>
Repayment of advances by		
Wix International Corporation	64,000	
Proceeds on sale of fixed assets, net	1,644,438	3,947
Issue of common shares	43,985	
	<u>2,382,055</u>	<u>502,054</u>
Working capital applied to		
Additions to fixed assets	84,722	136,475
Dividends paid	94,602	87,225
Decrease in non-current portion of		
long term debt	1,420,096	39,243
Increase in other assets	6,820	30,464
	<u>1,606,240</u>	<u>293,407</u>
Increase in working capital	775,815	208,647
Working capital at beginning of year	2,805,859	2,597,212
Working capital at end of year	<u>\$3,581,674</u>	<u>\$2,805,859</u>



WIX CORPORATION LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1977

1. Accounting Policies

The major accounting policies of Wix Corporation Limited and subsidiary companies are set out below.

(a) Basis of consolidation

These financial statements include the accounts of Wix Corporation Limited, its 100% owned subsidiary company, Gard Corporation Limited, and its 70% owned subsidiary company, Eco-Tec Limited. The company's 40% interest in Wix International Corporation is accounted for by the equity method.

(b) Inventories

Raw materials are valued at the lower of cost and replacement cost. Work in process and finished goods are valued at the lower of cost and net realizable value. Net realizable value is the selling price less costs to sell.

(c) Fixed assets

Fixed assets are stated at historical cost.

Depreciation is provided at the following annual rates:

Buildings	2% straight line
Machinery and equipment	8 1/3% straight line
Tools and dies	33 1/3% straight line
Automotive	30% declining balance
Other	10% to 20% straight line

(d) Other assets

Other assets include cash surrender value of life insurance, net of loans and patents, net of amortization. Patents are amortized over a five year period.

(e) Earnings per share

Earnings per share are based on the weighted average number of shares outstanding during 1977 and 1976. The issue of shares reserved for officers' and employees' options and conversion of debentures would not materially dilute earnings per share.

2. Inventories

	<u>1977</u>	<u>1976</u>
Raw materials	\$ 840,126	\$1,184,848
Work in process	394,212	369,297
Finished goods	2,073,819	1,999,635
	<u>\$3,308,157</u>	<u>\$3,553,780</u>

3. Investment in Wix International Corporation

	<u>1977</u>	<u>1976</u>
Shares	\$181,359	\$181,359
Advances		64,000
Equity in undistributed earnings	661,167	640,456
	<u>\$842,526</u>	<u>\$885,815</u>

4. Fixed assets

	1977			1976
	Cost	Accumulated depreciation	Net	Net
Land	\$ 366,817	\$	\$ 366,817	\$ 401,933
Buildings	1,184,483	74,910	1,109,573	1,772,701
Machinery and equipment.	1,518,234	836,213	682,021	735,815
Tools and dies	420,951	382,865	38,086	9,386
Other	279,557	224,810	54,747	91,778
	<u>\$3,770,042</u>	<u>\$1,518,798</u>	<u>\$2,251,244</u>	<u>\$3,011,613</u>

5. Long Term Debt

	1977	1976
8% Mortgage on 25 Curity Avenue, maturing April 10, 1988, payable \$4,349 monthly including principal and interest		\$ 390,987
Bank loan, prime plus 1%, due September 1, 1978, secured by Pickering land and building		1,000,000
Debentures payable, 7% due February 1, 1978, unsecured, convertible into common shares on a basis of 175 common shares for each \$500 debenture converted	\$ 17,000	69,000
	17,000	1,459,987
Less principal included in current liabilities	17,000	39,891
	<u>Nil</u>	<u>\$1,420,096</u>

6. Capital Stock

At December 31, 1977, 5,950 common shares were reserved for conversion of the 7% debentures. In addition, 13,600 common shares are reserved for issuance to officers and key employees of the company. At December 31, 1977, 9,000 shares were optioned to officers and 4,600 shares to other employees at \$2.45 per share expiring May, 1980.

7. Pension Plan

Effective January 1, 1976, the company revised its pension plan. The unfunded past service liability at January 1, 1976, as certified by the company's actuary, amounted to \$160,250 which is to be amortized by annual instalments of \$15,570 until 1990.

8. Anti-Inflation Act

The company is subject to the Anti-Inflation Act which provided, as from October 14, 1975 for the restraint of dividends. The company is in compliance with the Act.

9. Other Statutory Information

Remuneration of directors and senior officers amounted to \$184,370 (1976, \$185,850).

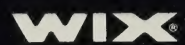


WIX CORPORATION LIMITED
SIX YEAR SUMMARY OF OPERATIONS
YEAR ENDED DECEMBER 31, 1977

	1977	%	1976	%
Net Sales	\$11,630,936	100.00	\$10,571,327	100.00
Gross profit	2,947,854	25.34	2,550,680	24.13
Depreciation and amortization	197,857	1.70	247,286	2.34
Interest				
Mortgage	15,035	.13	31,926	.30
Debentures	3,164	.03	6,702	.06
Bank and other	111,760	.96	209,069	1.98
Income before income taxes and equity in earnings of other company . . .	680,048	5.85	369,196	3.49
Equity in earnings of other company	20,711	.18	4,700	.04
Net income for the year before extraordinary items	453,046	3.90	205,085	1.94
Earnings per share before extraordinary items	.62		.28	
Extraordinary net income gain on sale of fixed asset	836,793	7.19		
Net income for the year	1,289,839	11.09	205,085	1.94
Earnings per share	1.77		.28	
Book value per share	8.16		6.63	
Working capital	3,581,674		2,805,859	
Current ratio	3.28:1		2.11:1	

1975	%	1974	%	1973	%	1972	%
\$8,969,089	100.00	\$8,331,184	100.00	\$7,257,801	100.00	\$6,211,969	100.00
2,177,922	24.28	2,043,299	24.53	1,705,818	23.50	1,347,046	21.68
253,624	2.83	187,303	2.25	161,083	2.22	133,782	2.15
33,128	.37	34,493	.41	35,871	.49	37,094	.60
7,558	.08	9,673	.12	6,804	.09	14,382	.23
181,135	2.02	49,252	.59	1,957	.03	21,712	.35
327,181	3.65	383,044	4.60	382,077	5.26	257,669	4.15
55,000	.61	80,000	.96	100,300	1.38	74,310	1.20
234,959	2.62	303,130	3.64	324,877	4.48	217,979	3.51
.32		.42		.45		.36	
76,036	.85						
310,995	3.47	303,130	3.64	324,877	4.48	217,979	3.51
.43		.42		.45		.36	
6.47		6.16		5.87		5.54	
2,597,212		2,125,639		2,233,882		2,518,940	
2.31:1		1.90:1		3.07:1		5.47:1	

The Gold Standard in Filtration



Wix Corporation Limited, Toronto, Canada

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WIX CORPORATION LIMITED

CANADIAN INTERIM REPORT

WIX®

THE GOLD STANDARD IN FILTRATION



WIX CORPORATION LIMITED
25 CURITY AVENUE
TORONTO M4B-1X9

2nd QUARTER

ENDED
JUNE 30, 1977

TO OUR SHAREHOLDERS:

We are pleased to issue interim results for the six months ended June 30, 1977.

Net sales increased 18.5 per cent to \$6,534,312 from \$5,512,260 for the same period a year ago.

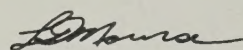
Net income for the period before extraordinary item increased 82.7 per cent to \$243,109 from \$133,086 for the six months last year.

The unaudited extraordinary income of \$836,793, or \$1.16 per share, from the sale of our Curity Avenue property is net of a tax deferment of \$138,542 set up on the advice of our auditors.

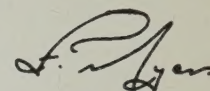
Overall results are starting to reflect the progress of

Eco-Tec Limited, our high-technology subsidiary that manufactures and distributes patented recycling and recovery systems.

Barring a significant and sustained decline in the automotive filter aftermarket and the economy, we anticipate that sales and earnings will continue to improve in line with our budgeted figures.



Lloyd W. Nourse
Chairman of the Board



Fred E. Myers
President

August 16, 1977

Consolidated Statement of Income (Unaudited)

	Six Months ended June 30th 1977	1976
Net Sales	\$6,534,312	\$5,512,260
Cost of sales and expenses other than undernoted	6,038,842	5,134,713
Interest on long-term debt	62,286	70,114
Depreciation and amortization	92,801	99,637
	<u>6,193,929</u>	<u>5,304,464</u>
Other Income	340,383	207,796
	<u>17,485</u>	<u>22,094</u>
	357,868	229,890
Income taxes	102,980	80,304
Current	20,000	18,000
Deferred	<u>122,980</u>	<u>98,304</u>
	234,888	131,586
Equity in earnings of Wix International Corporation	8,221	1,500
Net income before extraordinary item	<u>243,109</u>	<u>133,086</u>
Extraordinary gain on sale of Curity Ave. property net of deferred income taxes of \$138,542	836,793	—
Net income for the period	<u>\$1,079,902</u>	<u>\$ 133,086</u>
Net income per share based on 726,878 shares outstanding		
Net income per share before extraordinary item	\$.33	\$.18
Net income per share	1.49	.18

Consolidated Statement of Changes in Financial Position

	Six Months ended June 30th 1977	1976
Working capital derived from operations		
Net income for the period before extraordinary item	\$ 243,109	\$ 133,086
Items not involving working capital		
Depreciation and amortization	95,799	99,637
Deferred income taxes	158,542	18,000
Equity in earnings of Wix International Corporation	(8,221)	(1,500)
Other	14,000	36,971
Reduction of advances to Wix International Corporation	<u>64,000</u>	<u>—</u>
	567,229	286,194
Increase (decrease) in minority interest	8,517	—
Proceeds of sale of Curity Ave. property (net of income taxes)	<u>1,134,162</u>	<u>—</u>
	<u>1,709,908</u>	<u>286,194</u>
Working capital applied to		
Additions to fixed assets	40,809	73,390
Dividends paid	43,612	43,612
Decrease in non-current portion of long-term debt	1,000,000	10,903
Debentures payable February 1, 1978	<u>52,000</u>	<u>69,000</u>
	<u>1,136,421</u>	<u>196,905</u>
Increase (decrease) in working capital	573,487	89,289
Working capital at beginning of period	2,805,859	2,597,212
Working capital at end of period	<u>\$3,379,346</u>	<u>\$2,686,501</u>